



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

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## Philippines

### Grain and Feed

### Corn & Wheat PSD Update

**2002**

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**Report Highlights:** Wheat imports in MY02/03 are predicted to rise from the previous year's level with feed wheat from India expected account for most of the gain. Major buyers are also seriously considering purchases from non-traditional suppliers such as Argentina, France and Poland due to rising prices in the U.S. and Canada. Corn imports are expected to be roughly unchanged.

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Includes PSD changes: Yes

Includes Trade Matrix: No

Unscheduled Report

Manila [RP1], RP

PSD Table						
Country	Philippines					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	2000	Prelim.	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	0	0	0	0	0	0
Beginning Stocks	350	350	350	268	0	18
Production	0	0	0	0	0	0
TOTAL Mkt. Yr. Imports	3050	2918	3300	2750	0	3100
Jul-Jun Imports	3050	2918	3300	2750	0	3100
Jul-Jun Import U.S.	1942	1970	0	1455	0	1300
TOTAL SUPPLY	3400	3268	3650	3018	0	3118
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Jul-Jun Exports	0	0	0	0	0	0
Feed Dom. Consumption	1100	1100	1600	1200	0	1300
TOTAL Dom. Consum.	3050	3000	3300	3000	0	3000
Ending Stocks	350	268	350	18	0	118
TOTAL DISTRIBUTION	3400	3268	3650	3018	0	3118

Feed grain consumption is projected to increase through MY02/03 mainly due to increasing feed wheat use. Food use wheat, on the other hand, is expected to decline starting MY01/02 through MY02/03. The growing livestock and poultry industry will enhance increased feed grain use while adequate rice production will likely result in the decline in milling wheat demand. Feed wheat is more popular among local hog raisers while poultry growers still prefer corn.

According to the National Statistics Office (NSO), wheat imports in MY01/02 were slightly down (6 percent) from the previous year's level. Although no significant increase is expected in overall wheat demand in MY02/03, wheat imports are expected to recover and increase to replenish depleted stocks during the year. Despite the expected rise in imports, U.S. market share is expected to decline further as a result of increasing prices.

Philippine flour millers reportedly are considering buying wheat from Argentina, France and Poland because of increasing prices from traditional suppliers in Australia, Canada and the U.S. Australia, France and Poland are offering competitive prices. US spring wheat reportedly is currently quoted at \$185 per ton FOB from US-Pacific Northwest ports, up from \$150 in March and April. One major trader said drought in Australia, Canada and the U.S. had cut output this year and have driven up prices. Feed wheat imports, on the other hand, are expected to be originate mainly from India.

PSD Table						
Country	Philippines					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2000	Prelim.	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		07/2000		07/2001		07/2002
Area Harvested	2484	2484	2550	2485	0	2485
Beginning Stocks	450	450	300	289	0	181
Production	4508	4508	4525	4505	0	4450
TOTAL Mkt. Yr. Imports	300	181	600	187	0	200
Oct-Sep Imports	300	167	600	230	0	215
Oct-Sep Import U.S.	0	79	0	200	0	195
TOTAL SUPPLY	5258	5139	5425	4981	0	4831
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	3458	3200	3650	3200	0	3200
TOTAL Dom. Consum.	4958	4850	5125	4800	0	4800
Ending Stocks	300	289	300	181	0	31
TOTAL DISTRIBUTION	5258	5139	5425	4981	0	4831

Corn production in MY01/02 was trimmed based on the most recent estimates from the Bureau of Agricultural Statistics (BAS) and will likely decline the following year on account of early and heavy monsoon rains. Area harvested is expected to remain fairly flat through MY02/03.

Feed and food consumption of corn will likely stay flat in MY02/03 compared to the previous market year due to adequate rice production. Further shifting away from corn to wheat is likewise expected.

Corn imports numbers for MY00/01 and MY01/02 were based on adjusted figures from the NSO and is expected to slightly rise in MY02/03 as a result of the expected decline in local corn production.